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Report of the Director and
Unaudited Financial Statements for the Year Ended 31 July 2008
for
Panally Limited



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for the Year Ended 31 July 2008**

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Panally Limited

Company Information
for the Year Ended 31 July 2008

DIRECTOR:	Ms G Avakyan
SECRETARY:	Mrs S Ruzimatova
REGISTERED OFFICE:	48 Queen Anne Street London W1G 9JJ
REGISTERED NUMBER:	5193074 (England and Wales)
ACCOUNTANTS:	S H Landes LLP 5th Floor Walmar House 288 Regent Street London W1B 3AL

Panally Limited

**Report of the Director
for the Year Ended 31 July 2008**

The director presents her report with the financial statements of the company for the year ended 31 July 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding and property investment company.

DIRECTOR

Ms G Avakyan held office during the whole of the period from 1 August 2007 to the date of this report.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year under review the company contributed US \$ 5,775 to the Maxaya Fund, a charity supporting Second World War veterans.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

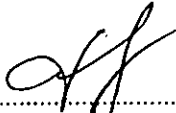
Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

x  x
.....
Mrs S Ruzimatova - Secretary

Date: February 2009

Chartered Accountants' Report to the Director
on the Unaudited Financial Statements of
Panally Limited

In accordance with the engagement letter dated 17 August 2007, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company for the year ended 31 July 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the company's director, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's director that we have done so, and state those matters that we have agreed to state to her in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's director, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England & Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance Sheet as at 31 July 2008 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

S H Landes LLP
5th Floor
Walmar House
288 Regent Street
London
W1B 3AL

SH Landes LLP

Date: 7th February 2009

Panally Limited

Profit and Loss Account
for the Year Ended 31 July 2008

	Notes	31.7.08		31.7.07	
		\$	\$	\$	\$
TURNOVER			-		28,000
Administrative expenses			412,139		221,908
			(412,139)		(193,908)
Other operating income			1,043,523		348,643
OPERATING PROFIT	2		631,384		154,735
Income from shares in group undertakings		690,817		75,970	
Interest receivable and similar income		1,342		101	
			692,159		76,071
			1,323,543		230,806
Interest payable and similar charges	3		23,099		15,072
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			1,300,444		215,734
Tax on profit on ordinary activities	4		237,525		69,953
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			1,062,919		145,781

The notes form part of these financial statements

Panally Limited

Statement of Total Recognised Gains and Losses
for the Year Ended 31 July 2008

	31.7.08	31.7.07
	\$	\$
PROFIT FOR THE FINANCIAL YEAR	1,062,919	145,781
Revaluation of investment property	14,227	-
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES	1,077,146	145,781
RELATING TO THE YEAR	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

Panally Limited

Balance Sheet
31 July 2008

	Notes	31.7.08		31.7.07	
		\$	\$	\$	\$
FIXED ASSETS					
Tangible assets	5	-	137,006		190,675
Investments	6		1,828,579		451,000
Investment property	7		415,000		224,954
			<u>2,380,585</u>		<u>866,629</u>
CURRENT ASSETS					
Debtors	8	730,491		4,814	
Cash at bank		44,805		184,940	
		<u>775,296</u>		<u>189,754</u>	
CREDITORS					
Amounts falling due within one year	9	1,897,292		874,940	
NET CURRENT LIABILITIES					
			<u>(1,121,996)</u>		<u>(685,186)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>1,258,589</u>		<u>181,443</u>
CAPITAL AND RESERVES					
Called up share capital	10		4		4
Revaluation reserve	11		14,227		-
Profit and loss account	11		1,244,358		181,439
SHAREHOLDERS' FUNDS					
			<u>1,258,589</u>		<u>181,443</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 July 2008.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2008 in accordance with Section 249B(2) of the Companies Act 1985.

The director acknowledges her responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the director on February 2009 and were signed by:

X  X
.....
Ms G Avakyan - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 July 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements are expressed in US Dollars.

Going concern

The financial statements have been prepared on a going concern basis even though at the balance sheet date the company had net current liabilities amounting to \$1,121,996.

The sole shareholder will continue to support the company to enable it to trade for at least the next twelve months from the date of the approval of the financial statements.

Exemption from preparing consolidated financial statements

The financial statements contain information about Panally Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on reducing balance
Motor vehicles	- 25% on cost
Computer equipment	- 25% on reducing balance

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into US dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Investments

Investment in subsidiaries are stated at cost less any provision for impairment.

Other operating income

Other operating income represents rental income from investment properties which is accounted for on accruals basis.

Panally Limited

Notes to the Financial Statements - continued
for the Year Ended 31 July 2008

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.7.08	31.7.07
	\$	\$
Depreciation - owned assets	66,855	63,558
Profit on disposal of fixed assets	(264,393)	-
Foreign exchange differences	11,258	5,930
	<u>18,708</u>	<u>10,510</u>
Director's emoluments and other benefits etc	<u>18,708</u>	<u>10,510</u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes the following:

	31.7.08	31.7.07
	\$	\$
Bank interest	50	-
Loan interest payable	23,049	15,072
	<u>23,099</u>	<u>15,072</u>

4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.7.08	31.7.07
	\$	\$
Current tax:		
Foreign withholding tax	237,525	69,953
Tax on profit on ordinary activities	<u>237,525</u>	<u>69,953</u>

5. TANGIBLE FIXED ASSETS

	Plant and machinery \$	Motor vehicles \$	Computer equipment \$	Totals \$
COST				
At 1 August 2007	-	254,233	-	254,233
Additions	8,470	-	4,716	13,186
At 31 July 2008	<u>8,470</u>	<u>254,233</u>	<u>4,716</u>	<u>267,419</u>
DEPRECIATION				
At 1 August 2007	-	63,558	-	63,558
Charge for year	2,118	63,558	1,179	66,855
At 31 July 2008	<u>2,118</u>	<u>127,116</u>	<u>1,179</u>	<u>130,413</u>
NET BOOK VALUE				
At 31 July 2008	<u>6,352</u>	<u>127,117</u>	<u>3,537</u>	<u>137,006</u>
At 31 July 2007	<u>-</u>	<u>190,675</u>	<u>-</u>	<u>190,675</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2008**

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings \$
COST	
At 1 August 2007	451,000
Additions	1,461,301
Disposals	(83,722)
At 31 July 2008	<u>1,828,579</u>
NET BOOK VALUE	
At 31 July 2008	<u>1,828,579</u>
At 31 July 2007	<u>451,000</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

JV "CENTRAL ASIA MEGASTAR"

Country of incorporation: Uzbekistan

Nature of business: Duty Free shop

	%		
Class of shares:	holding		
Ordinary	74.50		
		31.12.07	31.12.07
		\$	\$
Aggregate capital and reserves		1,758,153	1,754,961
Profit for the year		<u>935,340</u>	<u>933,642</u>

FLLC "ASKLEPIY"

Country of incorporation: Uzbekistan

Nature of business: Distributor of pharmaceutical products

	%		
Class of shares:	holding		
Ordinary	50.00		
		31.12.07	31.12.07
		\$	\$
Aggregate capital and reserves		957,035	955,298
Profit for the year		<u>100,425</u>	<u>100,243</u>

"Fast Development" LLC

Country of incorporation: Uzbekistan

Nature of business: Management and ownership of property

	%
Class of shares:	holding
Ordinary	91.52

"Fast Development" LLC was incorporated in July 2008. The company's financial year ends in December. The first set of accounts for this company have still not been prepared.

Panally Limited

Notes to the Financial Statements - continued
for the Year Ended 31 July 2008

7. INVESTMENT PROPERTY

	Total \$
COST OR VALUATION	
At 1 August 2007	224,954
Additions	1,369,936
Disposals	(1,194,117)
Revaluations	14,227
	<hr/>
At 31 July 2008	415,000
	<hr/>
NET BOOK VALUE	
At 31 July 2008	415,000
	<hr/> <hr/>
At 31 July 2007	224,954
	<hr/> <hr/>

Cost or valuation at 31 July 2008 is represented by:

	\$
Valuation in 2008	14,227
Cost	400,773
	<hr/>
	415,000
	<hr/> <hr/>

If investment property had not been revalued it would have been included at the following historical cost:

	31.7.08	31.7.07
	\$	\$
Cost	400,773	224,954
	<hr/>	<hr/>

Investment property was valued on an open market basis on 31 July 2008 by the director, Ms G Avakyan.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.08	31.7.07
	\$	\$
Trade debtors	84,968	4,814
Other debtors	645,523	-
	<hr/>	<hr/>
	730,491	4,814
	<hr/> <hr/>	<hr/> <hr/>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.08	31.7.07
	\$	\$
Amounts owed to group undertakings	1,857,315	814,427
Taxation and social security	16,793	885
Other creditors	23,184	59,628
	<hr/>	<hr/>
	1,897,292	874,940
	<hr/> <hr/>	<hr/> <hr/>

Panally Limited

Notes to the Financial Statements - continued
for the Year Ended 31 July 2008

10. CALLED UP SHARE CAPITAL

Authorised:		Nominal	31.7.08	31.7.07
Number:	Class:	value:	£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:		Nominal	31.7.08	31.7.07
Number:	Class:	value:	\$	\$
2	Ordinary	£1	<u>4</u>	<u>4</u>

11. RESERVES

	Profit and loss account \$	Revaluation reserve \$	Totals \$
At 1 August 2007	181,439	-	181,439
Profit for the year	1,062,919		1,062,919
Revaluation reserve	-	14,227	14,227
	<u>1,244,358</u>	<u>14,227</u>	<u>1,258,585</u>
At 31 July 2008			

12. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Takilant Limited, a company incorporated in Gibraltar. There is no legal requirement for this entity to prepare consolidated financial statements.

13. RELATED PARTY DISCLOSURES

Included in creditors due within one year are the following balances due to related party:

	2008 \$	2007 \$
Takilant Limited	1,857,315	814,427

During the year, the company received loans totalling \$506,110 (2007 \$20,000) from Takilant Limited. During the year, the company was charged interest of \$23,049 (2007 \$15,072) by Takilant Limited in respect of the above loans.

The above company is related party due to being the company's holding entity.

14. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Ms G Avakyan by virtue of her interest in the issued share capital of the parent company.